

Chair Daniel C. Lofgren
Director Kevin S. Carter

**Board of Trustees
School & Institutional Trust Lands Administration
Salt Lake City, Utah
June 20, 2013**

Minutes

Attending:	Board	Staff
	Dan Lofgren	Kevin Carter
	Steve Ostler	John Andrews
	Jim Lekas	Ron Carlson
	David Ure	Lisa Schneider
	Louie Cononelos	Kim Christy
	Tom Bachtell	Deena Loyola
	Mike Mower	Doug Buchi
		Tom Faddies
		LaVonne Garrison
		Wendy Petersen
		Nannette Johnson

Others in Attendance:

Margaret Bird and family, Utah State Office of Education
Tim Donaldson, Utah State Office of Education
Paula Plant, Utah State Office of Education
Karen Rupp, Utah State Office of Education
Jonathan Bates, University of Utah
Dave Hebertson, Former SITLA Employee
Lynda Belnap, Former SITLA Employee
James Lee, Former SITLA Board Member
John Ferry, Former SITLA Board Member
Gayle McKachnie, Former SITLA Board Member
David Terry, Former Director
Mark Compton, UMA and SITLA Nominating Committee
Janet Cannon, SITLA Nominating Committee
Dale Huffaker, SITLA Nominating Committee
Brian Maffley, Salt Lake Tribune
Deena Lofgren, Spouse of Chairman Lofgren

**Minutes for the Board of Trustees
School & Institutional Trust Lands Administration
Salt Lake City, Utah
June 20, 2013**

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Notification There were no agenda items for notification at this meeting	
Follow-up after Six Months There were no agenda items for follow-up	
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Adjourn

1. Welcome

Chairman Dan Lofgren conducted the meeting. He welcomed guests and family members attending for the recognition of Margaret Bird. He thanked those present for taking time to attend for both the meeting agenda and the recognition.

2. Approval of Board Minutes

The minutes of May 9, 2013, were approved.

“I make a motion for approval of the minutes of May 9, 2013.”

Mower/Bachtell Unanimously approved

Roll Call:

Dan Lofgren – yes	Steve Ostler – yes
Jim Lekas – yes	Dave Ure – yes
Louis Cononelos – yes	Tom Bachtell – yes
Mike Mower – yes	

3. Confirmation of Upcoming Meeting Dates

July	No Meeting
August 20	Salt Lake City
September 25-26	Tour & Meeting St. George
October	No Meeting
November 21	Salt Lake City

Chairman Lofgren reviewed the upcoming meeting schedule. Director Carter provided an overview of the schedule and agenda for the September Board meeting in St. George. The Board will provide input with sites they would like to see on the tour.

4. Consent Calendar

- a. Proposed OBA for Geothermal Leases, Beaver/Iron Counties**
- b. Bill Barrett/ Anadarko Lease Extensions**
- c. Kerr-McGee/OBA in Carbon County**

There were no comments on consent items, so they are approved.

Notification There were no agenda items for notification at this meeting.

Follow-up after Six Months There were no agenda items for follow-up at this meeting.

5. Director's Report

a. Rule Amendment R850-5-200(4)

Director Carter reviewed the rule change with dual penalty of late payment and bank fees on returned checks. Changes to the policy will amend the duplication of charges. The Board supported crafting the rule to allow the modification to be consistent with the bank imposed returned check fee without needing future rule changes. The rule change will be included on a future agenda for final Board approval.

5. Director's Report (Cont'd)

b. Recreation Exchange Appraisal Update

John Andrews reviewed the appraisals for SITLA and BLM land associated with the Recreation Exchange. He provided the differences in overall land value and identified ways the difference will be addressed. Less land will be conveyed to BLM in the exchange than identified in earlier presentations to achieve equal exchange based on value. Mr. Andrews discussed the value placed on Corona Arch. He reviewed ways the gap between BLM and SITLA land value will be addressed. Board Members expressed an interest in setting up meetings with John to take time to go over maps and details of the appraisals.

c. Audit Review Update

Ron Carlson discussed the collection of 1.3 million in revenue retrieved by the audit process with another 1.5 million pending. In this fiscal year, revenue has been collected and more is anticipated. The auditors work with the assistant directors to address any payment dispute. Audit provides guidance. In the rare instance when a solution is not found the matter may be referred to attorneys. Surveys are used by auditing and accounting as opportunities to review practices. In a past audit, the tracking of inventory was identified as a control issue. The agency addressed inventory control with an expansion of agency practices.

Ron discussed Business System upgrades and how data are collected, stored, and accessed. Ron reported on offsite storage of data at the state office building and a remote site in Richfield.

Director Carter finished the Director's Report with an announcement of an agency change that followed the reassignment of Kim Christy to oversee public relations. Mr. Christy recently hired Deena Loyola who will have primary responsibility for media relations. Ms. Loyola joins the agency from State Parks and Recreation.

6. Chair's Report

a. Recognition of Chairman Lofgren

Kevin presented a framed map and gift card to Dan Lofgren as tokens of appreciation for his six years of service. Lt. Governor Greg Bell thanked the Chairman and all Board members for the role they play in bringing industry experience to the management of trust lands. Individual contributions make a difference. He concluded with specific appreciation to Dan Lofgren for his passion for funding of Utah schools. Mr. Lofgren's focus reflects the importance he places on Utah schools.

b. Friend of the Trust Recognition for Margaret Bird

Lt. Governor Greg Bell presented Margaret Bird with a gift as a "Friend of the Trust." Lt. Governor Bell compared memories everyone has of a teacher who changed who we are today to the influence of Ms. Bird. He mentioned that the scale of influence Margaret had on Trust funds is almost without rival. He concluded by thanking Margaret on behalf of the state and the schoolchildren of Utah.

Dan Lofgren asked all Board members present to stand and join him in extending appreciation for Margaret's ferocious dedication to the Trust program. David Terry, a former Director of SITLA, spoke of Ms. Bird's commitment and "just do it" attitude that made a difference. Director Carter expressed appreciation for the roller coaster relationship driven by shared desire to see growth in the permanent fund. He commended Margaret for her ability to shine for the state of Utah. Director

5. Chair's Report (Cont'd)
b. Friend of the Trust Recognition for Margaret Bird (Cont'd)

Carter concluded by sharing a note from an elementary school student saying thank you to Margaret for her hard work to get lots of stuff for kids. The student's note wishes her well in retirement and hopes she finds a job soon.

c. Election of Chair and Vice Chair

The Board elected Steve Ostler as Chairman of the Board and Dave Ure as the Vice Chair.

"I make the motion for Steve Ostler to be Chairman and Dave Ure to be Vice Chairman."

Bachtell/Mower Unanimously approved

Roll Call:

Dan Lofgren – yes	Steve Ostler – yes
Jim Lekas – yes	Dave Ure – yes
Louis Cononelos – yes	Tom Bachtell – yes
Mike Mower – yes	

d. Appointment of Director

The Board went into closed session to discuss the appointment of the Director.

"I move we go into closed session for the purpose of discussing the character of an individual."

Mower/Ostler

Roll Call:

Dan Lofgren – yes	Steve Ostler – yes
Jim Lekas – yes	Dave Ure – yes
Louis Cononelos – yes	Tom Bachtell – yes
Mike Mower – yes	

Upon return to open session, the Board voted to reappoint Director Carter pending confirmation from Governor Herbert.

"I move we reappoint Kevin Carter as Director for another four-year term *pending the confirmation of Governor Herbert."

Mower/Ostler

Roll Call:

Dan Lofgren – yes	Steve Ostler – yes
Jim Lekas – yes	Dave Ure – yes
Louis Cononelos – yes	Tom Bachtell – yes
Mike Mower – yes	

Adjourn

* Governor Herbert concurred with the Board's reappointment of Director Carter on June 25, 2013.